

**SPECIAL MEETING
ERIE COUNTY EMPLOYEES' RETIREMENT BOARD
AND
PLEASANT RIDGE MANOR EMPLOYEES' RETIREMENT COMMITTEE**

**MARCH 25, 2013
12:00 P.M.**

Members Present: Fiore Leone, Chairman
 Joseph Giles, Vice-Chairman
 Mary E. Schaaf, Secretary
 James Sparber, Member

Members Absent: Ronald "Whitey" Cleaver, Member

Also Present: William Amick, Controller's Office
 Marie Lewis, Controller's Office
 Frank Burnette, Morrison Associates

The Special Meeting of the Erie County Employees' Retirement Board and Pleasant Ridge Manor Employees' Retirement Committee was called to order at 12:00 P.M., in Room #114A, Erie County Courthouse.

Chairman Leone called for Frank Burnette to give the report of the strategy of restructuring the Fixed Income managers. He presented his Erie County Asset Re-Balancing into Bank Loans proposal. It reestablished Boyd Watterson's full weighting as funds have been withdrawn for Pension payments. Two Fixed Income managers, Emerald and McKee would be terminated due to duplication of other Intermediate Fixed Income Managers and to raise money to fund other ideas. Seix High Yield Fund would be reduced by \$6,000,000. \$11,000,000 would be placed in a Variable Fixed Rate Loan Fund.

Mr. Burnette presented two options for a Variable Rate Loan strategy, Seix Loan Fund with daily liquidity and Highland Loan Fund, Ltd., a Private Placement domiciled in the Grand Caymans with a three year lock-up. He presented the fee structure for both.

Ms. Schaaf expressed her concerns regarding the lack of track record, liquidity, and reputation of Highland Capital Management, L.P. Mr. Giles asked Mr. Burnette if he had any personal experience with Highland. Mr. Sparber was satisfied with the overall concept.

After the discussion, Chairman Leone stated he feels there is a lot to look at and he would like the Board to take their time to make a decision and take a vote at a later date.

Adjournment at 12:38 P.M.

Mary E. Schaaf, Secretary
Erie County Employees' Retirement Board
Pleasant Ridge Manor Employees' Retirement Committee
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